



Insight

The Best and Worst of Regulation in 2014

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As the President's "Year of Action" in 2014 quickly turns into another year of action in 2015, let's reflect on what executive action meant for regulation this year. Regulators managed to publish at least \$174 billion in costs, with still a few more days left to regulate. The largest proposal is now freshly dry in the Federal Register, a \$15 billion proposal regulating ozone, with standards so tough that many [national parks](#) might fail to comply. There are dozens of regulations worthy of inclusion, but below is a partial list of the best and the worst of federal regulation in 2014.

Worst

- Pricier Food:** As part of the Affordable Care Act, the administration finalized rules to force redundant calorie labeling for vending machines, restaurants, movie theatres, and grocery stores that will [raise the price of food](#). The \$1.7 billion set of rules will add two million paperwork burden hours and according to the administration: "some proportion of the costs imposed by the regulation will be passed on to consumers."
- Pricier Dishwashers:** In what seems like the ceaseless succession of energy efficiency regulations on manufacturers, the administration added new standards for dishwashers, which will increase costs by almost [\\$100 per unit](#). This amounts to a 20 percent increase for some consumers and the administration admits a majority of consumers could see higher net costs. The total price tag: \$7.1 billion.
- Fewer Opportunities for Students:** Even after a federal court struck down previous "Gainful Employment" regulations, the administration went back to the regulatory well, finalizing a rule with \$4 billion in total costs and more than [6.9 million](#) new paperwork burden hours. The Department of Education concedes that more than 110,000 students could drop-out of higher education because of the new rules.
- Fewer Manufacturing Jobs:** Where there is one expensive manufacturing standard, there are likely to be dozens more. In September, the administration proposed new efficiency rules for commercial air conditioners. Rarely do regulators admit that a rule would detrimentally affect employment, but this rule could force hundreds of workers in the industry [to lose their jobs](#). It would also cause a 25 percent price hike and impose more than \$8 billion in total costs.
- Pricier Energy:** Few rules can invite [1.4 million](#) comments from the public, but when it promises a [6.5 percent increase](#) in electricity prices by 2020, EPA's greenhouse gas standards for power plants is sure to guarantee controversy. EPA claims it will cost roughly \$8.8 billion, eliminate 42,000 power plant jobs, and shutter about 100 plants across the nation. As AAF [commented](#), it will also nearly be impossible for states to implement by 2020 and cause significant power reliability concerns.

Best

1. **Less Paperwork for Truckers:** This is arguably the biggest success for President Obama's Executive Order 13,563, a rule that removes more than **46 million hours** of paperwork for truckers. This amounts to a 14 percent reduction in DOT's paperwork burden. The administration found the current trucking reports were redundant for the industry and opted to streamline the paperwork, saving \$1.7 billion annually.
2. **Cutting Costs for Health Care Providers:** In round two of retrospective review for the health care industry, the administration plans to save hospitals **\$3.2 billion** (\$640 million annually) in total cost reductions by 2018. This is a drop in the bucket, however, compared to the Affordable Care Act's new burdens: \$41.2 billion in costs and 162 million paperwork burden hours.
3. **Updating Hazardous Waste Management:** EPA finalized a rule allowing electronic manifests to track shipments of hazardous waste. This final rule will reduce administrative costs by 25 percent, saving **\$74 million** annually and resulting in 700,000 fewer paperwork burden hours.
4. **Flexibility for Disabled Flyers:** FAA proposed to make it easier for passengers traveling with portable oxygen concentrators to board U.S. aircraft. The agency also eliminated duplicative paperwork requirements for passengers and portable oxygen manufacturers, saving **\$31 million** and 169,000 paperwork burden hours.
5. **Releasing Two Unified Agendas:** This should hardly receive praise since it's the law, but for the second consecutive year, the administration released two Unified Agendas. It declined to follow the law in 2012 and **only issued one**, right before Christmas. This public release gave AAF a chance to examine the agendas and estimate the regulatory burdens. Possible costs ranged from **\$100 billion** to **\$126 billion**, which now appear to be severe underestimates for the President's "Year of Action."